
Exhibit A

SPECIAL RECLAMATION FUND ADVISORY COUNCIL MEETING MINUTES

Wednesday, August 10, 2011

Room 3001

WVDEP Kanawha City

A Special Reclamation Fund Advisory Council meeting was held on August 10, 2011 at 10:00AM. The Attendees were:

Council Attendees: Carolyn Atkinson, Paul Ziemkiewicz, Christy Risch, Bill Raney, Ron Pauley and John Morgan

Spec Rec Attendees: Ken Ellison Mike Sheehan, Dave McCoy and Tom McCarthy

Other DEP Attendees: Jennifer Paxton, Russ Hunter

Other Attendees: Roger Calhoun and Dennis Boyles (OSM), Mike Becher (Appalachian Center for the Economy and the Environment), Ken Ward (Charleston Gazette)

Welcome and Update:

- Ken Ellison welcomed everyone and said that Paul Ziemkiewicz and Carolyn Atkinson would be late.
- Ken proceeded to summarize the SRFAC Action Items as outlined in his March 24, 2011 letter to OSM and their current status:
 1. Contract was issued to Water Research Institute (WRI) to conduct a study of natural AMD attenuation rates. These results will be provided to the actuary. Agreement dated June 30, 2011.
 2. Review funding structures such as the Hicks Plan and aligning risk and methods for future liability. Presentation by Christy Risch June 16, 2011. Information to be supplied to the actuary. Agreement with CBER dated August 4, 2011.
 3. Review regulations for alternative enforcement. Currently working with OSM and DMR to recover costs.
 4. Review financial mechanisms of surrounding states. Presentations by Bill Winters (OSM) on Tennessee and Sam Faith (PADER) on Pennsylvania on June 16, 2011.
 5. Committed to another actuary study this year by Pinnacle. Agreement is currently in Purchasing. We will set up meetings among the actuary, Christy Risch, Paul Ziemkiewicz, Dr. Hammond, DMR and OSM to submit input to the actuary.
 6. Trying to firm up NPDES standards to estimate cost impacts. SRFAC approved agreement with WRI to come up with guidelines for water treatment

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selection and associated costs. These cost estimates are required by the court by December 1, 2011. At this point, John Morgan asked what the status is on the NPDES permit applications? Ken Ellison responded that we already have completed the initial 18 and are in the process of preparing the test group of 20 permits. A discussion ensued on whether we could determine costs before the permits are issued.

7. Consensus Coal Production Forecast. George Hammond provided a draft report which is included in the SRFAC binders. George Hammond will present his final report at a future meeting.
 8. Reappointments and appointment for SRFAC members. Ken Ellison passed out copies of Christy Risch's appointment letter for the actuary/economist position. He said that we need reappointments for the rest of the members and a citizen representative appointment.
- Mike Becher asked how long the actuary would need to pull all this information together and finalize a report? Ken Ellison responded that we are shooting for December 31, 2011 for the final report.
 - John Morgan asked if we had sampling for all forfeited sites? Roger Calhoun asked for clarification and asked do you mean for sites regardless of whether they have AMD or not? A discussion ensued on the total population of OSR sites.
 - John Morgan referred to 552 sites (population of forfeited land permits cited in Appendix L). A discussion ensued on which sites require treatment and which do not. Roger Calhoun commented that OSM worked with OSR for years to determine a bond-forfeiture AMD inventory. This required extensive field work, review and discussion.
 - John Morgan commented that with the NPDES standards, we may have to revisit sites we determined to have no AMD. The number of permits OSR is currently looking at for NPDES permits is 192. Dave McCoy asked what about permits released by DMR over the years? A discussion ensued on termination of jurisdiction.
 - Ken Ellison concluded that we will have to ask the attorneys for clarification on this. We need to know exactly what the consent decree applies to.
 - (Note: Paul Ziemkiewicz arrived at 10:40 A.M. and Carolyn Atkinson at 10:45 A.M.)
 - John Morgan asked if there was a standard for the 552 permits to say they all comply with NPDES standards?
 - Roger Calhoun iterated OSM's work with OSR to determine an AMD inventory is based on tech based effluent limits. He said that OSM looked at permits marked C or complete for discharges when the AMD inventory was being formulated.

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OSM considered the NPDES permit that was in effect when the SMCRS permit was revoked by the State. OSM is continuing to evaluate some permits that the State wants to take off the inventory because they no longer have water quality issues.

- The question was posed: when can we ever terminate jurisdiction? John Morgan responded when you can issue a Phase III release.
- Mike Becher asked if a Special Rec site is reclaimed, does OSR take ownership? Ken Ellison responded that normally we do not acquire any property. He added that there have been a few exceptions over the years due to lawsuits. Going forward, we may have to acquire property for future treatment. Ken iterated that he would ask the DEP attorneys for a clarification on the NPDES population in the consent decree.
- Ken Ellison reviewed what had transpired in the first part of the meeting for Paul Ziemkiewicz and Carolyn Atkinson.
- John Morgan asked for a copy of the August 15, 2011 data submission that is provided for under the consent decree.

Progress Report:

- Dave McCoy referred the Council to Appendix B page 5. He said that in the Sep 30, 2008 quarter, Belva Coal S-41-80 is currently UC and the Pups Creek RFQ is still in progress. Dave said that in the Sep 2009 quarter, Buffalo S-2003-03 is currently being sampled prior to design.
- Dave said that in the Mar 2010 quarter, Buffalo S-2006-86 is scheduled for pre-bid; Buffalo S-52-80 is currently being sampled and Lo-Ming U-5049-87 is now UC.
- In Jun 2010, Dave McCoy said that we are finishing the RFQ for Buffalo S-2003-88; Clearwater S-3016-99 has an RFQ almost complete; Lo-Ming O-5092-87 and U-5036-88 will have an RFQ with four other Lo-Ming permits from the Sep 2010 quarter. He said that this RFQ is 90% complete. Dave said that Cub Branch U-5035-87, S-5034-87 have RFQs 90% complete. Dave went on to say that Green Mt. Energy U-3053-88, Keystone O-56-85 and Lodestar S-3016-92 are complete; Lobo Capitol UO-204 is scheduled for pre-bid.
- Dave McCoy referred to Sep 2010 and said that the Lo-Ming permits had an RFQ 90% complete; Burn Coal U-2005-97 is UC and the 3 Cheyenne permits are under temporary water treatment and are involved in RPM discussions. He said the two Chicopee permits have an RFQ 50% complete.

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- In the Dec 2010 quarter, Dave McCoy said that the two Maurice Jennings permits have turned up new seeps; Decondor U-147-82 is currently under temporary water treatment; Mangus S-1036-91 has land issues and Lodestar O-172-83 is complete.
- Dave McCoy said that in the Mar 2011 quarter, Buffalo S-2001-86 is currently being sampled as well as the two Masteller permits. He said that the three Level Land permits have an RFQ 90% complete and Raleigh Commercial 149-79 is complete.
- In referring to the Jun 2011 quarter, Dave McCoy said that the two Mark Powell permits would be handled via work directive; Buffalo S-53-80 is currently being sampled; F.G.M. Energy S-5023-88 is being re-evaluated; Greendale U-63-84 will be scheduled for TPL next year and Okemo O-16-82 is complete.
- In Sep 2011, the two Buffalo permits will probably be handled by work directive this fall and Linn Mining U-1008-92 had an RFQ submitted last week.
- John Morgan asked why OSR is behind in the reclamation schedule? Dave McCoy responded it is due to staffing changes, lack of water sampling and new seeps being discovered.
- John Morgan asked if Royal Scot was on the books for next year? Mike Sheehan responded yes.
- Ken Ellison asked John Morgan if he was involved in any of the litigation? John responded that as a SRF Advisory Council member he was not involved. He added that he is not a Sierra Club member or a member of any other environmental group. He said he is an independent representative who is concerned about the environment and the SR fund.
- John Morgan asked about RPM permits and whether we were receiving payments on Antaeus? Ken Ellison said that Tom Clarke of DMR said that we might be able to recoup all of our \$7.9 million expenditures on Antaeus. John then asked if we still have to pay FEMA back? Jennifer Paxton said she would check on this.

Cash Flow Projections:

- Jennifer Paxton referred the Council to Appendix A. She said that in looking at the past two years, there has been no unusual activity. She gave a brief summary of the financials and there were no questions.

Actuary:

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- Jennifer Paxton said that her group is currently working on a Change Order which will be sent to Purchasing soon. She expects approval by September 1, 2011.
- Ken Ellison asked Christy Risch and Paul Ziemkiewicz if they could give their information via phone to the actuary? They responded yes. Dr. Hammond could probably talk by phone also.
- John Morgan asked that with the issues on water, is there enough time to have discussions with the actuary? Ken Ellison responded yes. Ken said we could meet with them at the next scheduled meeting or we could schedule another ad-hoc meeting. After a brief discussion, the consensus of the Council was to schedule an ad-hoc meeting on October 12, 2011 at 10:00 A.M. at DEP with the actuary and Dr. Hammond.
- A discussion ensued primarily between Bill Raney and John Morgan on current mining limitations and coal forecasts.

OSM Litigation Update:

- Roger Calhoun commented on the litigation to re-open the lawsuit which calls for OSM to take over the State's bonding program in lieu of the Legislature not heeding the Council's recommendation to increase funding in the last annual report. He said that the judge has ordered a joint status report by August 25, 2011. Roger said to stay tuned.

DMR Report:

- Russ Hunter said that Lewis Halstead was on vacation. He said there have been no new developments of note. Russ said that DMR is currently working on potential no-cost agreements for a couple Roblee and Buffalo permits.
- Russ said there is a possibility an Alloy site might be added to the bond forfeiture program. A discussion ensued on the Alloy sites and Appalachian Fuels. Russ Hunter concluded his presentation saying that there have been no new bankruptcies.

Advisory Council Issues:

- Bill Raney asked how many people there are in OSR? Mike Sheehan responded 45.
- John Morgan asked Russ Hunter if he could give insight into inactive status permits at the next meeting? Russ responded that OSM and DMR will work on a list of inactive status permits by type.

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- Mike Becher asked if there was any Selenium treatment at OSR sites? Ken Ellison responded no. He added that typically OSR sites do not have a lot of valley fills producing Selenium.
- Paul Ziemkiewicz briefly discussed fish mutation with regard to Selenium. He said he may initiate a workshop on this and could present something to the Council at the next quarterly meeting.
- John Morgan said he would like to see the variance reports in Appendix J showing the variance of liability estimates versus contract amount by year. Jennifer Paxton said she could do this.
- John Morgan suggested that the Council look at changing the tax from a fixed fee to a percentage fee similar to the AML fee. He suggested making this an action item. Bill Raney responded that Dr. Hammond's information may be important input. The consensus of the Council was to hear from Dr. Hammond.

Next SRFAC Meetings:

- The consensus of the Council was to have the following meetings:

Ad Hoc Meeting Wednesday, October 12, 2011 at 10:00 A.M. in Room 3001 at DEP.

Quarterly Meeting Wednesday, November 2, 2011 at 10:00 A.M in Room 3001 at DEP.

Adjournment:

- The meeting adjourned at 12:05 P.M. with lunch following.